

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 09708 191728Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AGRE-00 SSO-00 INRE-00 AID-05
CEA-01 CIAE-00 COME-00 EB-08 FRB-03 INR-10
NSAE-00 SP-02 STR-07 TRSE-00 LAB-04 SIL-01 OMB-01
/068 W

-----045251 191825Z /75

O 191718Z MAY 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 6634
INFO ALL EC CAPITALS
USMISSION GENEVA

LIMITED OFFICIAL USE BRUSSELS 09708

USEEC

PASS AGRICULTURE ELECTRONICALLY
PARIS ALSO FOR USOECD
GENEVA ALSO FOR USMTN

E.O. 11652: N/A
TAGS: EAGR, EEC
SUBJ: EC DAIRY EXPORT SUBSIDIES INCREASED

REF: (A) EC A-163; (B) BRUSSELS 9137

1. MISSION OFFICIALS MET WITH COMMISSION OFFICIAL KRENZLER (DG I) AND O'DWYER (DG VI), AT THE LATTER'S REQUEST, TO DISCUSS IMPENDING CHANGES IN EC SUBSIDIES ON EXPORTS OF CHEESE TO ALL DESTINATIONS, INCLUDING THE UNITED STATES. COMMISSION OFFICIALS NOTED THE RECENT COUNCIL DECISION (REF B) TO INCREASE THE MILK TARGET PRICE BY 2 PERCENT, EFFECTIVE MAY 22, 1978, AND SAID THAT THE COMMISSION HAD DECIDED TO ADJUST EC EXPORT SUBSIDIES CORRESPONDINGLY SO AS TO PREVENT ANY INCREASE IN EC OFFER PRICES TO THIRD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 09708 191728Z

COUNTRIES. THEY SAID THAT THE SUBSIDY INCREASES WERE THE RESULT OF STRAIGHT MATHEMATICAL CALCULATION, BASED ON THE FAT AND PROTEIN CONTENT OF THE PARTICULAR PRODUCT, AND THAT THEY APPLIED TO ALL PRODUCTS AND DESTINATIONS (EXCEPT IN THE CASE OF CERTAIN CHEESE EXPORTS TO SPAIN, AUSTRIA, AND SWITZERLAND WHERE EC SPECIAL MINIMUM IMPORT PRICE ARRANGEMENTS WILL REQUIRE FURTHER EXAMINATION BEFORE

CHANGES ARE MADE). THE INCREASES ARE TO GO INTO EFFECT MONDAY, MAY 22, 1978: THEY WILL ALSO BE APPLIED TO SUBSIDIES ALREADY PRE-FIXED.

2. COMMISSION OFFICIALS ACKNOWLEDGED THAT THEY HAD NOT INCREASED DAIRY SUBSIDIES IN THE WAKE OF LAST YEAR'S (1977/78) MILK PRICE INCREASE BUT SAID THAT THE WORLD MARKET HAD BEEN MUCH STRONGER AT THIS TIME LAST YEAR. THEY ADDED THAT THE MAY 22 SUBSIDY INCREASES WERE BASED SOLELY ON THE INCREASE IN EC PRICES AND DID NOT TAKE INTO ACCOUNT OVERALL ECONOMIC, MARKET, AND MONETARY FACTORS. THEY SAID THEY WOULD BE EXAMINING THESE FACTORS OVER THE NEXT 3 TO 4 WEEKS TO SEE IF FURTHER CHANGES IN SUBSIDIES WOULD BE WARRANTED.

3. THE EC EXPORT SUBSIDIES ON BUTTER (80-82 PERCENT FAT CONTENT) WILL BE INCREASED FROM 155.85 TO 160.45 U.A./100 KG; THE EXPORT SUBSIDY ON NFDM FROM 64.85 TO 66.54 U.A./100 KG. NEITHER OF THESE SUBSIDIES APPLIES TO THE U.S. THE NEW SUBSIDIES APPLICABLE TO CHEESE EXPORTS TO THE U.S. ARE SHOWN BELOW BY CODE NUMBER. A DESCRIPTION OF THE CHEESES COVERED BY THE EXPORT CODE NUMBERS CAN BE FOUND IN REF A OR ANY RECENT REGULATION SETTING DAIRY EXPORT SUBSIDIES:

EXPORT	CURRENT	NEW	EXPORT	CURRENT	NEW
LIMITED OFFICIAL USE			LIMITED OFFICIAL USE		

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 09708 191728Z

CODE NO.	SUBSIDY	SUBSIDY	CODE NO.	SUBSIDY	SUBSIDY
----------	---------	---------	----------	---------	---------

3800 00	0	0	4710 16	92.50	97.02
4000 00	34.38	37.71	4710 22	81.50	86.02
4410 10	17.89	19.13	4850 00	0	0
4410 20	17.89	19.13	5120 12	0	0
4410 30	26.39	28.23	5120 16	0	0
4410 40	17.89	19.13	5120 22	0	0
4410 50	26.39	28.23	5120 11	87.00	90.89
4410 60	38.46	41.15	5120 44	35.60	39.03
4510 10	17.89	19.13	5120 54	33.10	36.07
4510 20	26.39	28.23	5120 58	33.11	36.62
4510 30	38.46	41.15	5120 59	20.00	21.68
4510 40	38.46	41.15	5120 82	7.15	9.08
4510 50	45.64	48.83	5120 83	0	0
4610 00	45.64	48.83	5120 87	53.08	56.59
4710 11	81.50	86.02	5120 92	35.60	39.03

4. NOTE THAT ZERO EXPORT SUBSIDIES TO THE U.S. REMAIN UNCHANGED. HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DAIRY PRODUCTS, EXPORT SUBSIDIES, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE09708
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780211-0902
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780542/aaaabisx.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 08518c9a-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BRUSSELS 9137
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2642951
Secure: OPEN
Status: NATIVE
Subject: EC DAIRY EXPORT SUBSIDIES INCREASED
TAGS: EAGR, EEC
To: STATE USOECD MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/08518c9a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014